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FROMMER LAWRENCE & HAUG 745 FIFTH AVENUE- 10TH FL. NEW YORK, NY 10151			ROSEN, NICHOLAS D	
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3625

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Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/801,291

Applicant(s)

CHANG ET AL.

ST

Examiner

Nicholas D. Rosen

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 14 July 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1,3-8,10-19 and 21-39 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 3-8, 10-19, and 21-39 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 14 July 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

Claims 1, 3-8, 10-19, and 21-39 have been examined.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

### **Claims 1, 3-7, 30, and 35**

Claims 1, 3, 5, and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin (U.S. Patent 5,870,155) in view of Nemirofsky (5,880,769) and the article, "The Evolution of Marketing over the Past 25 Years," hereinafter "Evolution of Marketing." As per claim 1, Erlin discloses a system for enabling a user to purchase an item displayed on a display screen of a television receiver, said system comprising:

means adapted to be coupled to a television receiver for receiving television signals (Figures 1 and 4; column 4, lines 20-28), and discloses application to a cable TV home shopping network (Abstract), meaning that the television signals can be representative of a number of items offered for sale. Erlin does not quite expressly disclose providing the received television signals to said television receiver so as to enable the item or items offered for sale to be displayed on the display screen, although this could be considered inherent from "home shopping network," but in any event, Nemirofsky teaches that a home shopping network involves enabling items offered for sale to be displayed on a television display screen (column 5, lines 60-66; column 6, lines 20-27). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to provide the received television signals to said television receiver to enable the item or items offered for sale to be displayed on the display screen, for the obvious advantage of letting customers see what is available, and making them more likely to make purchases.

Erlin discloses reading means for reading information from a card and for forwarding the read information to the receiving and providing means (Figures 1, 2, 6A, 6B, 6C, 6D, 6E, 6F, 6G, and 6H; column 4, line 57, through column 5, line 42). Erlin does not expressly disclose means for comparing some of the read information to other information which is not obtained from the card, although Erlin does disclose prompting the user for, and obtaining, other information, namely a PIN number (column 5, lines 17-42; Figures 6D, 6E, 6F, 6G, and 6H). However, "Evolution of Marketing" teaches authentication of purchases using a PIN in the context of card readers (entire document;

see especially the quotation beginning, “The SIM card is actually,” and the four sentences beginning from “Some experts envisage adapting”), implying that the PIN entered by the user is compared to a PIN read from the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant’s invention to include means for comparing some of the read information which is not obtained from the card, for the stated advantage of preventing someone who has stolen a legitimate user’s card from making use of it.

Erlin discloses means for processing the read information in a predetermined manner and for outputting the same for supply to an external destination so as to enable payment for a desired item (Figures 3, 4, 6A, 6B, 6C, 6D, 6E, 6F, 6G, and 6H; column 4, line 57, through column 5, line 42). Erlin does not expressly disclose that this is so as to enable payment for a desired item when the compared read information matches the other information, and that the means does not process the read information in the predetermined manner and output the same for supply to the external destination when the compared read information does not match the other information (although something like that is implied by the use of PIN). However, “Evolution of Marketing” teaches that, “Authentication of small purchases is approved locally (by the handset itself which recognizes the PIN),” implying that the device which reads the card determines whether or not to output the card information to an external destination based on whether the PIN entered by the user matches that stored in, and read from, the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant’s invention to include means to enable

payment for a desired item, or not, by processing the read information in the predetermined manner and outputting the same for supply to the external destination – or not – depending on whether the compared read information matches the other information, for the stated advantage of preventing someone who has stolen a legitimate user's card from making use of it.

As per claim 3, Erlin discloses that said card includes a magnetic storage area having information stored therein, and that said reading means reads the stored information from said magnetic storage area (column 3, lines 3-7; column 3, line 61, through column 4, line 4).

As per claim 5, Erlin discloses disclose that the receiving and providing means includes a set-top box (column 2, lines 50-67; column 4, lines 20-28).

As per claim 7, Erlin discloses that the reading means includes transmitting means for transmitting the read information in a wireless manner to the receiving and providing means (Figures 3, 4, and 5; column 2, lines 50-67; column 4, line 57, through column 5, line 42).

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 1 above, and further in view of Borowsky ("A Long and Winding Road") and official notice. Erlin does not disclose that said card includes an integrated circuit (IC) chip having information stored therein, and that said reading means reads the stored information from said IC chip, but Borowsky teaches the use of smart cards or chip cards, using the terms interchangeably (entire article), and in particular teaches a smart card and smart card

reader for enabling consumers to order products via TV and pay for them with a smart card and smart card reader at home (second last paragraph, beginning, "What's more, the expansion of home banking"). Official notice is taken that chip cards have IC chips. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the card include an integrated circuit (IC) chip having information stored therein, and have said reading means read the stored information from said IC chip, for the stated advantages of cutting fraud losses and storing more information than can feasibly be stored on a magnetic strip.

Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 1 above, and further in view of official notice. Erlin does not disclose that the reading means is coupled to the receiving and providing means by way of a data line, unless IR transmission counts as a data line. However, official notice is taken that data lines are well known. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the reading means coupled to the receiving and providing means by way of a data line, and to have the reading means forward the read information to the receiving and providing means by way of said data line, for the obvious advantage of conveniently and reliably transmitting the read information, without even requiring the user to point a remote control unit at a TV set.

Claim 30 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 1 above, and further in view of Park (U.S. Patent 6,279,824). Arguably, the PIN of Erlin and "Evolution of

Marketing” could be considered “information pertaining to the user,” but even reading claim 30 more narrowly, Park makes the claim obvious: Erlin does not expressly disclose a memory means for storing the other information, but Park teaches a memory means for storing other information, teaches that some read information is information pertaining to the user, and teaches comparing means that compares the user information to the stored other information (column 4, lines 26-51; column 8, line 50, through column 9, line 15; Figure 3E). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant’s invention to have the system comprise a memory means for storing other information, have some of the read information be information pertaining to the user, and have comparing means that compared the user information to the stored other information, for the obvious advantage of confirming (or disconfirming) that the user was the legitimate possessor of the card.

Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and “Evolution of Marketing” as applied to claim 1 above, and further in view of Sullivan (“France Smarter Cards Power Amex Brokerage”). Erlin does not disclose that some of the read information is the user’s telephone number, and the other information is a telephone number currently being used by the user, and the comparing means compares the user’s telephone number obtained from the read information to the telephone number currently being used by the user. However, Sullivan teaches “A system that identifies callers’ home telephone number limits them to one locale,” and teaches this in the context of authenticating smart cards, implying that, in that system,



the telephone number currently being used by a user is compared to the home telephone number read from a card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have some of the read information be the user's telephone number, and the other information be a telephone number currently being used by the user, and the comparing means compare the user's telephone number obtained from the read information to the telephone number currently being used by the user, for the obvious advantage of making it difficult for the possessor of a stolen card to use it to transact business.

**Claims 8, 10-14, 31, and 36**

Claims 8, 10, 12, and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin (U.S. Patent 5,870,155) in view of Nemirofsky (5,880,769) and the anonymous article, "The Evolution of Marketing over the Past 25 Years," hereinafter "Evolution of Marketing". As per claim 8, Erlin discloses a system for enabling a user to purchase an item displayed on a display screen of a television receiver, said system comprising: a commerce device coupled to a television receiver for receiving television signals (Figures 1 and 4; column 4, lines 20-28), and discloses application to a cable TV home shopping network (Abstract), meaning that the television signals can be representative of a number of items offered for sale. Erlin does not quite expressly disclose providing the received television signals to said television receiver so as to enable the item or items offered for sale to be displayed on the display screen, although this could be considered inherent from "home shopping network," but in any event, Nemirofsky teaches that a home shopping network involves enabling items offered for

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sale to be displayed on a television display screen (column 5, lines 60-66; column 6, lines 20-27). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to provide the received television signals to said television receiver to enable the item or items offered for sale to be displayed on the display screen, for the obvious advantage of letting customers see what is available, and making them more likely to make purchases.

Erlin discloses a card reader for reading information from a card and for forwarding the read information to the commerce device (Figures 1, 2, 6A, 6B, 6C, 6D, 6E, 6F, 6G, and 6H; column 4, line 57, through column 5, line 42). Erlin does not expressly disclose means for comparing some of the read information to other information which is not obtained from the card, although Erlin does disclose prompting the user for, and obtaining, other information, namely a PIN number (column 5, lines 17-42; Figures 6D, 6E, 6F, 6G, and 6H). However, "Evolution of Marketing" teaches authentication of purchases using a PIN in the context of card readers (entire document; see especially the quotation beginning, "The SIM card is actually," and the four sentences beginning from "Some experts envisage adapting"), implying that the PIN entered by the user is compared to a PIN read from the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include means for comparing some of the read information which is not obtained from the card, for the stated advantage of preventing someone who has stolen a legitimate user's card from making use of it.

Erlin discloses means for processing the read information in a predetermined manner and for outputting the same for supply to an external destination so as to enable payment for a desired item (Figures 3, 4, 6A, 6B, 6C, 6D, 6E, 6F, 6G, and 6H; column 4, line 57, through column 5, line 42). Erlin does not expressly disclose that this is so as to enable payment for a desired item when the compared read information matches the other information, and that the means does not process the read information in the predetermined manner and output the same for supply to the external destination when the compared read information does not match the other information (although something like that is implied by the use of PIN). However, "Evolution of Marketing" teaches that, "Authentication of small purchases is approved locally (by the handset itself which recognizes the PIN)," implying that the device which reads the card determines whether or not to output the card information to an external destination based on whether the PIN entered by the user matches that stored in, and read from, the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include means to enable payment for a desired item, or not, by processing the read information in the predetermined manner and outputting the same for supply to the external destination – or not – depending on whether the compared read information matches the other information, for the stated advantage of preventing someone who has stolen a legitimate user's card from making use of it.

As per claim 10, Erlin discloses that said card includes a magnetic storage area having information stored therein, and that said card reader reads the stored information

from said magnetic storage area (column 3, lines 3-7; column 3, line 61, through column 4, line 4).

As per claim 12, Erlin discloses disclose that the commerce device includes a set-top box (column 2, lines 50-67; column 4, lines 20-28).

As per claim 14, Erlin discloses that the card reader includes a transmitter which transmits the read information in a wireless manner to the commerce device (Figures 3, 4, and 5; column 2, lines 50-67; column 4, line 57, through column 5, line 42).

Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 9 above, and further in view of Borowsky ("A Long and Winding Road") and official notice. Erlin does not disclose that said card includes an integrated circuit (IC) chip having information stored therein, and that said card reader reads the stored information from said IC chip, but Borowsky teaches the use of smart cards or chip cards, using the terms interchangeably (entire article), and in particular teaches a smart card and smart card reader for enabling consumers to order products via TV and pay for them with a smart card and smart card reader at home (second last paragraph, beginning, "What's more, the expansion of home banking"). Official notice is taken that chip cards have IC chips. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the card include an integrated circuit (IC) chip having information stored therein, and have said card reader read the stored information from said IC chip, for the stated advantages of cutting fraud losses and storing more information than can feasibly be stored on a magnetic strip.

Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 9 above, and further in view of official notice. Erlin does not disclose that the card reader is coupled to the commerce device by way of a data line, unless IR transmission counts as a data line. However, official notice is taken that data lines are well known. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the card reader coupled to the commerce device by way of a data line, and to have the card reader forward the read information to the commerce device by way of said data line, for the obvious advantage of conveniently and reliably transmitting the read information, without even requiring the user to point a remote control unit at a TV set.

Claim 31 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 8 above, and further in view of Park (U.S. Patent 6,279,824). Arguably, the PIN of Erlin and "Evolution of Marketing" could be considered "information pertaining to the user," but even reading claim 31 more narrowly, Park makes the claim obvious: Erlin does not expressly disclose a memory means for storing the other information, but Park teaches a memory means for storing other information, teaches that some read information is information pertaining to the user, and teaches comparing means that compares the user information to the stored other information (column 4, lines 26-51; column 8, line 50, through column 9, line 15; Figure 3E). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to

have the system comprise a memory means for storing other information, have some of the read information be information pertaining to the user, and have comparing means that compared the user information to the stored other information, for the obvious advantage of confirming (or disconfirming) that the user was the legitimate possessor of the card.

Claim 36 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 8 above, and further in view of Sullivan ("France Smarter Cards Power Amex Brokerage"). Erlin does not disclose that some of the read information is the user's telephone number, and the other information is a telephone number currently being used by the user, and the comparing means compares the user's telephone number obtained from the read information to the telephone number currently being used by the user. However, Sullivan teaches "A system that identifies callers' home telephone number limits them to one locale," and teaches this in the context of authenticating smart cards, implying that, in that system, the telephone number currently being used by a user is compared to the home telephone number read from a card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have some of the read information be the user's telephone number, and the other information be a telephone number currently being used by the user, and the comparing means compare the user's telephone number obtained from the read information to the telephone number currently being used by the user, for the obvious advantage of making it difficult for the possessor of a stolen card to use it to transact business.

**Claims 15-18, 32, and 37**

Claims 15, 16, and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin (U.S. Patent 5,870,155) in view of Nemirofsky (5,880,769), Matthews, III et al. (U.S. Patent 6,025,837), and the anonymous article "The Evolution of Marketing over the Past 25 Years," hereinafter "Evolution of Marketing." As per claim 15, Erlin discloses a system for enabling a user to purchase an item displayed on a display screen of a television receiver, said system comprising: a set-top box comprising a processor and adapted to receive television signals and provide the received television signals to said television receiver (Figures 3 and 4; column 2, lines 50-67; column 4, lines 20-28) and discloses application to a cable TV home shopping network (Abstract), meaning that the television signals can be representative of a number of items offered for sale. Erlin does not quite expressly disclose providing the received television signals to said television receiver so as to enable the item or items offered for sale to be displayed on the display screen, although this could be considered inherent from "home shopping network," but in any event, Nemirofsky teaches that a home shopping network involves enabling items offered for sale to be displayed on a television display screen (column 5, lines 60-66; column 6, lines 20-27). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to provide the received television signals to said television receiver to enable the item or items offered for sale to be displayed on the display screen, for the obvious advantage of letting customers see what is available, and making them more likely to make purchases.

Erlin further discloses a credit card reader adapted to read information from a credit card when said credit card is provided thereto by said user, and forward the read information to the set-top box, wherein said set-top box processes the information received from said credit card reader in a predetermined manner, and outputs the same for supply to an external destination so as to enable payment for a desired item (Figures 1, 2, 6A, 6B, 6C, 6D, 6E, 6F, 6G, and 6H; column 4, line 57, through column 5, line 42). Erlin does not expressly disclose, in those exact terms, that the set-top box has a back-channel and outputs information received from the credit card reader by way of the back-channel, but Matthews teaches that any of various means for sending information back from a cable TV to the headend can be called a back-channel (column 6, lines 22-32). Since information is sent back to the cable TV home shopping network (or other environment) in Erlin's invention, the means for sending the information is therefore a back-channel.

Erlin does not expressly disclose means for comparing some of the read information to other information which is not obtained from the card, although Erlin does disclose prompting the user for, and obtaining, other information, namely a PIN number (column 5, lines 17-42; Figures 6D, 6E, 6F, 6G, and 6H). However, "Evolution of Marketing" teaches authentication of purchases using a PIN in the context of card readers (entire document; see especially the quotation beginning, "The SIM card is actually," and the four sentences beginning from "Some experts envisage adapting"), implying that the PIN entered by the user is compared to a PIN read from the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic



commerce at the time of applicant's invention to include means for comparing some of the read information which is not obtained from the card, for the stated advantage of preventing someone who has stolen a legitimate user's card from making use of it.

Erlin does not disclose that the set-top box (i) processes the information received from the credit card reader and outputs the same for supply to an external destination when the compared read information matches the other information and (ii) does not process the information, etc., when the compared read information does not match the other information (although something like that is implied by the use of PIN). However, "Evolution of Marketing" teaches that, "Authentication of small purchases is approved locally (by the handset itself which recognizes the PIN)," implying that the device which reads the card determines whether or not to output the card information to an external destination based on whether the PIN entered by the user matches that stored in, and read from, the card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to include means to enable payment for a desired item, or not, by processing the read information in the predetermined manner and outputting the same for supply to the external destination – or not – depending on whether the compared read information matches the other information, for the stated advantage of preventing someone who has stolen a legitimate user's card from making use of it.

As per claim 16, Erlin discloses that said credit card includes a magnetic storage area having information stored therein, and that said credit card reader reads the stored

information from said magnetic storage area (Abstract; column 3, lines 3-7; column 3, line 61, through column 4, line 4).

As per claim 18, Erlin discloses that the external destination is one of a store, a credit card company, and a manufacturer (Abstract; a home shopping network qualifying as a type of store).

Claim 17 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, Matthews, and "Evolution of Marketing" as applied to claim 15 above, and further in view of Borowsky ("A Long and Winding Road") and official notice. Erlin does not disclose that said credit card includes an integrated circuit (IC) chip having information stored therein, and that said credit card reader reads the stored information from said IC chip, but Borowsky teaches the use of smart cards or chip cards, using the terms interchangeably (entire article), and in particular teaches a smart card and smart card reader for enabling consumers to order products via TV and pay for them with a smart card and smart card reader at home (second last paragraph, beginning, "What's more, the expansion of home banking"). Official notice is taken that chip cards have IC chips. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the credit card include an integrated circuit (IC) chip having information stored therein, and have said credit card reader read the stored information from said IC chip, for the stated advantages of cutting fraud losses and storing more information than can feasibly be stored on a magnetic strip.

Claim 32 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, Matthews, and "Evolution of Marketing" as applied to claim 15 above, and further in view of Park (U.S. Patent 6,279,824). Arguably, the PIN of Erlin and "Evolution of Marketing" could be considered "information pertaining to the user," but even reading claim 31 more narrowly, Park makes the claim obvious: Erlin does not expressly disclose a memory means for storing the other information, but Park teaches a memory means for storing other information, teaches that some read information is information pertaining to the user, and teaches comparing means that compares the user information to the stored other information (column 4, lines 26-51; column 8, line 50, through column 9, line 15; Figure 3E). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have the system comprise a memory means for storing other information, have some of the read information be information pertaining to the user, and have comparing means that compared the user information to the stored other information, for the obvious advantage of confirming (or disconfirming) that the user was the legitimate possessor of the card.

Claim 37 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, Matthews, and "Evolution of Marketing" as applied to claim 15 above, and further in view of Sullivan ("France Smarter Cards Power Amex Brokerage"). Erlin does not disclose that some of the read information is the user's telephone number, and the other information is a telephone number currently being used by the user, and the comparing means compares the user's telephone number obtained from the read

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information to the telephone number currently being used by the user. However, Sullivan teaches "A system that identifies callers' home telephone number limits them to one locale," and teaches this in the context of authenticating smart cards, implying that, in that system, the telephone number currently being used by a user is compared to the home telephone number read from a card. Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to have some of the read information be the user's telephone number, and the other information be a telephone number currently being used by the user, and the comparing means compare the user's telephone number obtained from the read information to the telephone number currently being used by the user, for the obvious advantage of making it difficult for the possessor of a stolen card to use it to transact business.

**Claims 19, 21-25, 33, and 38**

Claims 19, 21, 23, and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin (U.S. Patent 5,870,155) in view of Nemirofsky (U.S. Patent 5,880,769), and "The Evolution of Marketing over the Past 25 Years." Claims 19, 21, 23, and 25 are essentially parallel to claims 1, 3, 5, and 7, respectively, and rejected on closely similar grounds.

Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 19, and further in view of Borowsky and official notice. Claim 22 is closely parallel to claim 4, and rejected on closely similar grounds.

Claim 24 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 19, and further in view of official notice. Claim 24 is closely parallel to claim 6, and rejected on closely similar grounds.

Claim 33 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 19, and further in view of Park (U.S. Patent 6,279,824). Claim 33 is closely parallel to claim 30, and rejected on closely similar grounds.

Claim 38 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and "Evolution of Marketing" as applied to claim 19, and further in view of Sullivan ("France Smarter Cards Power Amex Brokerage"). Claim 38 is closely parallel to claim 35, and rejected on closely similar grounds.

**Claims 26-29, 34, and 39**

Claims 26, 27, and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin (U.S. Patent 5,870,155) in view of Nemirofsky (U.S. Patent 5,880,769) and Matthews (U.S. Patent 6,025,837). Claims 26, 27, and 29 are essentially parallel to claims 15, 16, and 18, respectively, and rejected on closely similar grounds.

Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlin, Nemirofsky, and Matthews as applied to claim 26, and further in view of Borowsky and official notice. Claim 28 is closely parallel to claim 17, and rejected on closely similar grounds.

Claim 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlyn, Nemirofsky, and "Evolution of Marketing" as applied to claim 26, and further in view of Park (U.S. Patent 6,279,824). Claim 34 is closely parallel to claim 32, and rejected on closely similar grounds.

Claim 39 is rejected under 35 U.S.C. 103(a) as being unpatentable over Erlyn, Nemirofsky, and "Evolution of Marketing" as applied to claim 26, and further in view of Sullivan ("France Smarter Cards Power Amex Brokerage"). Claim 39 is closely parallel to claim 37, and rejected on closely similar grounds.

### ***Regarding Official Notice***

The common knowledge or well-known in the art statements in the previous office action are taken to be admitted prior art, because Applicant did not traverse Examiner's taking of official notice.

### ***Response to Arguments***

Applicant's arguments with respect to claims 1, 3-8, 10-19, and 21-39 have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Sandberg-Diment (U.S. Patent 5,826,245) discloses providing

verification information for a transaction. Nobakht et al. (U.S. Patent 6,745,223) disclose a user terminal for channel-based Internet network (see especially column 13).

The anonymous article, "The Fool/Hack Proof Computer Security System" discloses achieving computer security by permitting access only from certain designated telephone numbers. Rockwell (BellSouth, AT&T Offer Cable TV Products") discloses comparing a customer's home telephone number with stored information. Ingley ("Caller ID Opens Phone Peephole: Starting Today, Its Technology Makes Anonymity Obsolete") discloses verifying a customer's phone number to prevent fraud. Taaffe ("Banks Launch Mobile Commerce Power Play") discloses using smart cards and PINs to authenticate purchases. Hammersley ("Why These Calling Cards Will Soon Be a Credit to Us All") discloses inserting a credit card into a telephone, and inputting a PIN, to authorize payment.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

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the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nicholas D. Rosen, whose telephone number is 703-305-0753. The examiner can normally be reached on 8:30 AM - 5:00 PM, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins, can be reached on 703-308-1344. (Wynn Coggins is currently on assignment elsewhere in the Patent Office; the examiner's acting supervisor, Jeffrey Smith, can be reached at 703-308-3588.) The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306. Non-official/draft communications can be faxed to the examiner at 703-746-5574.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

*Nicholas D. Rosen*  
**NICHOLAS D. ROSEN**  
**PRIMARY EXAMINER**

August 24, 2004